

REMARKS TO US-NIGERIA TRADE AND INVESTMENT COUNCIL

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Good morning, Mr. Vice President, Mr. Minister, friends and honored guests. I am proud and pleased to be here at the inaugural session of our Trade and Investment Council; and I am honored Mr. Vice President that you have opened this council meeting, as you launched this TIFA Council in February at the White House. Mr. Minister I am very honored also to chair this inaugural meeting with you.

US-NIGERIA ECONOMIC RELATIONSHIP TODAY

Since this is our first Council session, I would like to begin with a general look at our economic relationship, and the principal challenges I hope the Council can help us both address.

This is a time of great promise in our relationship with Africa. President Clinton has elevated the economic partnership between the U.S. and Africa to the forefront of our policy agenda. Nigeria is key to the success of this new partnership. Nigeria is, of course, Africa's most populous nation; and Nigeria's government is a valued partner in peacekeeping, the worldwide fight against crime and corruption, and the development of the world trading system. Nigeria is the United States' second largest trading partner in Sub-Saharan Africa and its sixth largest supplier of oil. Two-way trade between our countries was just under \$5 billion. In 1998, the stock of U.S. foreign direct investment was estimated at \$1.9 billion.

So as we launch the U.S.-Nigeria Trade and Investment Council, we have the advantage of a relationship, which covers many different issues and is already of great economic importance to both our countries. But we also have some challenges to address. Most notably, while American exports to Nigeria cover a very large range of goods and commodities - energy equipment, computers, wheat, telecommunications and shipping equipment - Nigeria's exports to the United States are largely oil.

This is evidence of untapped potential for both of us: for Americans, expanded export opportunities generally; and for Nigerians, a more diversified and broader set of opportunities in the American market, particularly with enactment of the African Growth and Opportunity Act. Diversifying and expanding our bilateral trade are key goals of the Trade and Investment Council. And as we meet, both of our governments are pursuing a reform and growth agenda that will help us realize this potential.

NIGERIAN REFORM AND AFRICAN GROWTH AND OPPORTUNITY ACT

President Obasanjo and Vice President Abubakar have set in motion a remarkable and courageous program of democratization and economic reform. The Clinton Administration supports and applauds this work.

At the same time, the United States has built the foundation of a new and vastly improved African trade and economic policy, through the President's Partnership Initiative as a whole, and the recent passage of the African Growth and Opportunity Act in particular.

The Act's benefits will open up unparalleled possibilities for reforming African countries. It will give Africa more access to the American market than any other region of the world with the exception of countries that have free trade agreements. For the first time the Act will provide Nigeria with an opportunity for duty and quota free access for essentially all products, including in the apparel sector, which has fueled economic growth throughout the world. This Act would provide a substantial competitive advantage for Nigeria and other African countries over other countries competing in the American market. This Act has already generated a great deal of investor interest in Africa and could translate into significant job creation and an infusion of capital and technology in Nigeria, particularly in the apparel and light industries.

SHARED INTERESTS

I am honored to lead the U.S. delegation to Nigeria of senior officials representing our departments of Agriculture, Commerce, State, Labor, the Agency for International Development, the African Development Foundation and the Office of the U.S. Trade Representative for this inaugural meeting of the U.S. - Nigeria Trade and Investment Council. This Council will strengthen the ability of our governments to achieve expanded trade and investment. It will focus on removing impediments to trade, and developing and implementing concrete strategies to strengthen reforms and achieve economic diversification and growth.

We have an ambitious and important agenda launching our work today. We will work this morning to ensure that Nigeria fully understands the intricacies and benefits of the African Growth and Opportunity Act and that it is prepared and poised to seize the new opportunities. In light of Nigeria's strong interest in the Act, I am pleased to announce that the U.S. Government will conduct a technical assistance seminar in Nigeria this summer to apprise both the government and the private sector of the Act's opportunities. More broadly, we will exchange views on on-going and new U.S. technical assistance to support expanded trade and investment in Nigeria. This technical assistance is broad and key to Nigeria's efforts to sustain growth and develop a modern and diverse economy. Our assistance includes support to Nigeria's informal sector, rural cooperatives, small and medium sized-businesses and women entrepreneurs. We are committed to supporting commercial law development and initiatives to strengthen economic management, intellectual property protection and agricultural growth in Nigeria. Immediately following the Council meeting, the United States will host a series of comprehensive WTO technical assistance workshops in Abuja as a part of our cooperative work to facilitate Nigeria's integration into the multilateral trading system. We share a common vision with Nigeria in the WTO, that all nations

must benefit from global trade. Strengthening U.S. - Nigeria cooperation in the WTO is also on the agenda for today's meeting. In addition we will discuss specific impediments and opportunities to expanded trade and investment, in both the agricultural and industrial sectors.

CONCLUSION

All these issues are on our agenda for this inaugural Council session. It will be a full and productive day. But before we can begin the work, let me say one more thing in closing.

We are all aware that Nigeria has traveled a hard and difficult road over the years. The break with the past cannot be easy, and the path of reform will inevitably have setbacks and moments of frustration. Nigeria is facing a moment which requires courage and perseverance; but it is also one of hope and renewal, and a time at which Nigeria has steadfast friends.

As was reiterated last week in South Africa during the World Economic Forum meeting, the international community has a great deal of respect for Nigeria and full confidence in President Obasanjo's leadership. In fact Nigeria is regarded as one of the world's most promising emerging economies.

Americans realize that as Africa's most populous nation and most richly endowed economy, Nigeria's success is crucial to all of Africa. We understand the great potential of our bilateral relationship. And we are here today as a sign of our commitment to Nigeria; and our confidence in your future. When Vice President Abubakar signed the Trade and Investment Framework Agreement at the White House in February, our governments committed to creating this bilateral Trade and Investment Council. We agreed that the Council's work should lead to concrete gains that will result in increased bilateral trade and investment, and economic diversification, growth and job creation in Nigeria.

Mr. Vice President, Minister Bello, Ambassador Twaddell and honored guests, I thank you all for your participation today.